

# Crime Awareness Newsletter

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Courtesy of the

**Department of Defense  
Office of the Inspector General  
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Central Field Office**



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## Indictments

### HealthCare Fraud

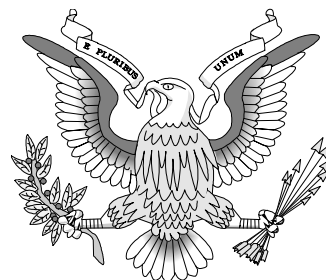
A 24-count indictment was returned against HealthWise Medical Rehabilitation Centers (HealthWise), Chesapeake and Virginia Beach, VA, and Michael J. Concessi, Doctor of Chiropractic, owner/operator of HealthWise. Each defendant was charged with one count of health care fraud and 23 counts of false statements relating to health care matters. Concessi and HealthWise allegedly submitted numerous fraudulent health care claims for payment to the DoD TRICARE program and the TRIGON Insurance Company. The claims submitted to TRICARE and TRIGON falsely depicted

the provider of services and were for services not eligible for payment. HealthWise is a multidiscipline practice that employs medical doctors and doctors of osteopathy on a contractual basis to give initial medical exams to patients prior to receiving chiropractic services performed by Concessi but billed under the medical doctor's name and provider identification number to TRICARE and other insurance programs. Chiropractic services are not covered benefits under the TRICARE program. The Norfolk Resident Agency (RA) is conducting the investigation with the Federal Bureau of Investigations (FBI) and the TRIGON Financial Investigations Unit.

### False Claims

An indictment was returned against Katherine Isaac, a former Federal Government employee of the Alterations Work Group (AWG), Washington Headquarters Services (WHS), The Pentagon. Isaac was indicted on four counts of submitting false claims to the U.S. Government. Isaac

worked as an administrative assistant and timekeeper for the AWG. She allegedly assisted in creating and carrying out a scheme to enter false overtime hours into the AWG computerized timekeeping system and receive monies to which she was not entitled. She carried out this scheme on behalf of herself and other employees of the AWG. Isaac is alleged to have assisted in causing fraudulent payments in excess of \$70,000. The Mid-Atlantic Field Office (FO) is conducting the investigation with the Defense Protective Service.



### False Statements

One-count indictments were returned against Joseph Bender, president of Schweitzer Emblem Company (SEC), and SEC charging that Bender and SEC allegedly caused a DoD prime contractor to make false and misleading statements to the Defense Supply Center Philadelphia. An investigation disclosed that Bender, along with SEC, allegedly caused a

DoD prime contractor to make false and misleading statements to the Government regarding the country of manufacture for uniform emblems. The contract called for the nearly 1.8 million uniform emblems, costing roughly \$800,000, to be manufactured domestically. Bender and his company allegedly provided the prime contractor with not only foreign-made emblems, but emblems that failed in numerous aspects to meet contractual requirements. The Chapel Hill RA is conducting the investigation.

### **Environmental Crimes**

A seven-count indictment was returned against Mark Allen Stoffer charging him with allegedly submitting false statements on wastewater Discharge Monitoring Reports (DMRs) submitted to the California Regional Water Quality Control Board (RWQCB), San Diego, CA, and the Environmental Protection Agency (EPA). Stoffer was the wastewater treatment plant supervisor at Marine Corps Base, Camp Pendleton, San Diego County, CA. He allegedly directed approximately 25 wastewater treatment plant operators to falsify daily test reports for residual chlorine. Stoffer then allegedly collected and used this falsified test data to create the DMRs that were submitted to the RWQCB and the EPA. There are nine wastewater treatment plants located on

Camp Pendleton. These plants process the daily wastewater generated from over 30,000 military and civilian personnel who live and/or work at Camp Pendleton. Seven of the nine wastewater treatment plants discharge to waterways that lead to the Pacific Ocean. Publicly owned treatment works and municipal wastes are subject to the requirements of the National Pollutant Discharge Elimination System (NPDES). The NPDES permitting system applies to direct discharges into navigable waters. The EPA also requires publicly owned treatment works to develop a pretreatment program if they discharge more than 5 million gallons of wastewater per day. The investigation revealed that Camp Pendleton's wastewater treatment plants were in violation of their residual chlorine permitted discharge levels. However, the DMRs submitted by Stoffer to the RWQCB indicated that Camp Pendleton was in compliance with their NPDES permit levels. The investigation of Stoffer was based on an anonymous allegation that he had directed the wastewater treatment operators to report falsified test data to show that Camp Pendleton was in compliance with their NPDES permit levels. The San Diego RA conducted the investigation jointly with the FBI, the EPA and the Naval Criminal Investigative Service (NCIS).

### **Pay and Allowance Fraud**

A five-count indictment was filed in U.S. District Court, Alexandria, VA, against Tasha Y. Kinney, Suitland, MD, charging her with allegedly committing wire fraud against the Government. Kinney worked for the Defense Information Systems Agency (DISA) as a secretary and time and attendance (T&A) keeper. An investigation revealed that from approximately April through November 2000, Kinney accessed the Defense Civilian Payment System by using a former T&A keeper's username and password to fraudulently add overtime to her own record. Kinney resigned from DISA after admitting to entering and receiving over \$25,000 in unauthorized overtime pay. The Mid-Atlantic FO is conducting the investigation.



### HealthCare Fraud

An information was filed in U.S. District Court, Boston, MA, charging Dr. Joseph S. Olstein, Lewiston, ME, with allegedly conspiring to defraud Federal health care programs and violating the Anti-Kickback Act. Olstein accepted free samples of the drug Lupron from the manufacturer, TAP Pharmaceuticals, Inc. (TAP). Olstein then allegedly billed Federal health care programs, such as Medicare and the DoD TRICARE program, for the injectable drug Lupron that he administered to patients suffering from prostate cancer. Lupron is unlike most drugs prescribed by physicians due to its status as a cancer treatment. Lupron is purchased by physicians, injected into the patient during an office visit, and then billed by the physician to third parties such as Medicare and TRICARE. The Government alleges that Olstein received approximately \$40,000 to \$70,000 worth of the drug in return for doing business with TAP. The Boston RA is conducting the investigation with the FBI, the Food and Drug Administration and the Department of Health and Human Services (HHS).



### Fraudulent schemes

Charges were filed against Robert J. Grill and Daniel J. Hawkins by the Arizona Attorney General's Office, Phoenix, AZ, for allegedly violating Arizona Revised Statutes. Grill was charged with two counts of false swearing and Hawkins was charged with one count of facilitating a known fraudulent scheme. The charges stemmed from Grill's alleged use of a long abandoned gold mine as an asset for the federal Government's Individual Surety Program (ISP). The ISP allows small or disadvantaged companies to compete for and do business with the Government by obtaining bonding in support of their bids for federal contracts. Grill claimed the mine had readily marketable "gold ore" in the amount of \$393 million. He put the gold up as collateral and sold over 100 bid, payment and performance bonds to numerous DoD contractors throughout the United States. Hawkins was charged with facilitating the bogus scheme in that he knew the gold ore reportedly held by Grill was nothing more than "trash tailings" that were discarded during the mine's final full operation shortly after the turn of the century. The Phoenix RA is conducting the investigation jointly with the U.S. Army Criminal Investigative Command (USACIDC) and the Air Force Office of Special Investigations (AFOSI).



### Obstructing Justice

Robert L. Tate, current regional director, Defense Systems Management College, Lawndale, CA, was arrested by special agents of the DCIS and the AFOSI for allegedly obstructing justice. In addition to being a civilian employee of the DoD, Tate is a retired U.S. Air Force Reserve brigadier general. The arrest was the result of an investigation that disclosed Tate allegedly attempted to obstruct an investigation into allegations that he received kickbacks from DoD contractors. The investigation is looking into payments made by hotel operators in the Los Angeles, CA, area who may have paid Tate in exchange for information on students scheduled to attend upcoming events at the Defense Systems Management College. In May 2000, Tate met with an informant who, unbeknownst to Tate, was wearing a recording device. During the course of the conversation concerning the DoD investigation into kickbacks, the informant expressed his concern that there may be

records that could implicate both the informant and Tate. Citing the "Nixon tape thing," Tate advised the informant to shred the evidence before being served with a subpoena. Following Tate's arrest, he was charged in a criminal complaint that accuses him of one count of obstruction of justice. The Long Beach RA is conducting the investigation with the AFOSI.

#### **Mail Fraud**

Romualdo N. Garcia, Republic of the Philippines, pled guilty in U.S. District Court, Madison, WI, to one count of mail fraud. An investigation determined that Garcia, a retired U.S. Navy veteran residing in the Republic of the Philippines, submitted numerous false claims to the DoD TRICARE health care program for services allegedly rendered to him in the Philippines. Wisconsin Physicians Service, Madison, WI, a fiscal intermediary for TRICARE, processed the false claims on behalf of TRICARE. The claims, totaling \$205,847, fraudulently misrepresented that Garcia had been hospitalized in the Philippines and had received various medical services. In fact, Garcia was not hospitalized and did not receive the services. The Chicago POD conducted the investigation with the U.S. Postal Inspection Service.

#### **Bribes**

John Patterson, a former produce inspector for the U.S. Department of Agriculture (USDA), St. Louis, MO, pled guilty to one count of accepting a bribe. An investigation disclosed that Patterson had taken bribes on numerous occasions from a variety of individuals dealing in produce. Sentencing is scheduled for July 5, 2001. The Central FO conducted the investigation with the FBI and the USDA.

#### **Mail Fraud**

Alan J. Sigel, owner, Adolph & Ceresia Produce Company, Inc., St. Louis, MO, pled guilty to one count of using the U.S. mail to defraud American Fresh Produce Company, Pompano Beach, FL. An investigation disclosed that from 1993 to December 1999, Sigel paid bribes to John H. Patterson, former USDA produce grader, St. Louis, MO. In exchange for the bribes, Patterson used his official position to artificially downgrade loads of produce that Sigel purchased from out-of-town shippers. The artificial downgrading of the produce allowed Sigel to renegotiate the producers' purchase prices in a manner fraudulently favorable to Sigel. Sentencing is scheduled for July 6, 2001. The Central FO conducted the investigation with the FBI, the USDA and the U.S. Postal Inspection Service.

#### **Mail Fraud**

John A. Campa III, M.D., a practicing physician, formerly of Nashville, TN, entered a plea of guilty after 4 days of trial. Campa pled guilty to the indictment, less one count. The indictment charged Campa with 57 counts of mail fraud, 15 counts of health care fraud and 6 counts of false statements in connection with a health care matter. The guilty plea is the result of a 5-year, multiagency Federal task force investigation focusing on health care fraud in middle and eastern Tennessee. The investigation disclosed Campa submitted false claims for reimbursement to Federal health care benefits programs, including the DoD TRICARE and private insurance plans. Campa owned and operated Nashville Neuro-Pain Corporation and was the sole medical practitioner associated with the business. Campa submitted claims for services and supplies not provided and also disguised the true nature of other procedures by using unrelated billing codes with higher reimbursement rates. The Nashville Post of Duty (POD) conducted the investigation with the Department of Labor, the HHS, the Internal Revenue Service (IRS) and the Tennessee Valley Authority.

### **Credit Card Fraud**

Barry Parks, Jr., pled guilty in the Southern District of New York to one count of use of an unauthorized access device. An investigation disclosed that Parks used stolen DoD officials' Social Security Numbers to obtain First USA Bank Visa cards. Parks opened 45 Visa accounts with First USA Bank and made purchases in excess of \$20,000. The purchases were made through the Internet at 10 sites [included including](#) Amazon.com, Nike, and Damark. The merchandise was delivered to [Park's Parks'](#) residence, as well as the residences of associates. The New York RA conducted the investigation jointly with the U.S. Secret Service and the Social Security Administration (SSA).



### **Environmental Violations**

J. Gregory Dant, Andover, MN, pled guilty to one count of knowingly falsifying, tampering with and rendering inaccurate a wastewater monitoring device, in violation of the Federal Clean Water Act. Rehrig International, Incorporated (Rehrig), had contracts to supply shopping carts to the Defense Commissary Agency. The contracts required compliance with environmental laws and regulations, including permits is-

sued under the Federal Clean Water Act. Rehrig formerly operated a production plant in the City of Richmond, VA, and was issued an industrial user permit that established discharge limits for various substances such as nickel and chrome into Rehrig's wastewater. During the manufacture of the shopping carts, a process is used to electro-plate the shopping cart chassis with chrome and nickel. The investigation determined that during their production process, Rehrig's wastewater frequently had chrome and nickel concentrations that exceeded permit limits. Under the terms of their permit, Rehrig was required to periodically sample their wastewater using a monitoring device installed by the City of Richmond. Additionally, Rehrig was required to submit periodic self-monitoring reports to the City of Richmond and to notify the City of Richmond if their permit limits were exceeded. Dant was responsible for Rehrig's environmental compliance from late 1997 until his departure in early 2000. During this period, Rehrig received numerous Notices of Violation from the City of Richmond, including an Administrative Order that increased their sampling and analysis obligations to weekly reporting. In December 1998, Dant tampered with the City of Richmond monitoring device by replacing a portion of the sampler jar's wastewater

with clean tap water, thereby rendering inaccurate any testing later performed on the sample. Sentencing is scheduled for June 18, 2001. The Richmond POD conducted the investigation with the FBI and the EPA.

### **Impersonation**

Penelope Smith, president of Janitorial and Maintenance Service (JAMS) and Penel Corporation (Penel), Morristown, NJ, pled guilty to two counts of impersonating a DoD contracting officer, one count of wire fraud and one count of mail fraud. In addition, Smith entered guilty pleas for her companies: JAMS, on a single count of wire fraud, and Penel, on a single count of mail fraud. Smith devised a scheme where she represented herself as a DoD contracting officer and created false Government contracts to defraud other companies out of goods and services. Some of these fraudulently received goods were delivered to the DoD on contracts awarded to JAMS. JAMS was then paid by the Government for items that JAMS had never purchased. Smith also admitted to creating false DoD contracts that were used as collateral with finance companies. Smith is believed to have defrauded the Government and private companies out of at least \$364,000. The New Jersey RA conducted the investigation with the FBI and the NCIS.



### False Claims

Ellen Bennett, Scott Bennett and David Bennett, Las Vegas, NV, were convicted of conspiring to defraud the United States. Ellen, Scott and David Bennett were previously charged in an indictment with two other family members, Arthur Gus Bennett and Amelia Bennett, the wife of Arthur. Bennett family members were charged based on false claims in excess of \$300,000 to obtain Service members Group Life Insurance (SGLI), VA, and SSA benefits associated with the fraudulent reporting of Arthur Gus Bennett's death. The Bennett family filed for SGLI, VA and SSA survivor benefits based on the false reporting of Arthur Bennett's death as an enlisted member of the U.S. Marine Corps. Arthur Bennett was identified in a fictitious death scheme involving a trailer fire at the Lake Mead National Recreation Area, Clark County, NV. The fire occurred on February 3, 1994. Bennett family members used multiple bank accounts in Nevada, Utah and Virginia to facilitate fraudulent distribution of SGLI, VA and SSA survivor benefits. A SGLI insurance claim citing Arthur Bennett's death resulted in fraudulent SGLI beneficiary payments of \$200,000. Arthur Bennett is now deceased. The Salt Lake City RA conducted the investigation with the FBI, the VA, the SSA and the NCIS.

## Sentences



### False Statements

Kaydon Corporation, Clearwater, FL, pled guilty in U.S. District Court, Bridgeport, CT, to two counts of submitting false statements to the Government in connection with inspection certifications associated with the manufacture of helicopter parts. At Kaydon's request, sentencing was also rendered concurrent with the guilty plea. Kaydon was sentenced to criminal fines and penalties of \$1 million. Kaydon also paid an additional \$6.5 million in civil restitution. The investigation was initiated pursuant to the 1996 crash of a CH-53E Super Stallion helicopter at the Sikorsky Aircraft Company, Stratford, CT, that resulted in the deaths of the two pilots and two crewmen. The investigation revealed that certain procedures required for the inspection of the duplex swashplate bearing assembly had not been performed by the subcontractor, Kaydon, Bearing Division, Muskegon, MI. The duplex bearing is a component of the swashplate assembly that is a vital link in

the flight control system of the helicopter. Kaydon was required to submit signed certifications to Sikorsky that contained actual handwritten values of specific bearing dimensions and features. It was determined that Kaydon employees made false entries on the certifications, signed them, and submitted them as a requirement for payment. The CH-53E Super Stallion helicopter is flown by the U.S. Marine Corps as a heavy-lift, multi-purpose aircraft. The mishap aircraft was destined to join the presidential fleet in a support function. The Hartford RA conducted the investigation with the FBI and the NCIS, with substantial assistance from engineering personnel of the Defense Contract Management Agency (DCMA).

### False Claims

Roy Knox, field quality assurance manager, DFAS, Indianapolis, IN, pled guilty to submitting false claims to the DoD. Knox was then sentenced to 4 months home confinement, followed by 2 years supervised probation, a \$2,000 fine, restitution of \$11,418, 200 hours of community service and a \$100 special assessment. An investigation determined that Knox submitted nine false claims to the DoD for lodging/rent reimbursement. The claims, submitted between October 15, 1999 and July 1, 2000, were for temporary duty expenses that Knox sup-

posedly incurred while assigned to the DFAS Operating Location in Lexington, KY. The investigation determined that Knox and another DFAS employee shared an apartment while they were assigned to Lexington and that Knox did not incur any lodging expenses. The payments for the fraudulent claims totaled \$11,418. The Indianapolis RA conducted the investigation.

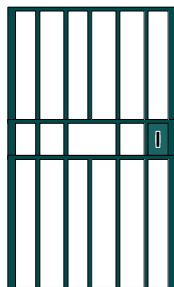
### **Child Pornography**

Terrence Maloney, computer specialist, National Imagery and Mapping Agency, St. Louis, MO, was sentenced to 33 months imprisonment, 36 months supervised release, fined \$7,000 and ordered to pay a \$200 special assessment. Maloney previously pled guilty to possessing and receiving child pornography. An investigation disclosed that Maloney used a Government computer to access pornographic Internet sites. When interviewed, Maloney admitted using Government computers to access pornographic sites and download child pornography to his home computer. The Central FO conducted the investigation with the FBI.

### **Pay Fraud**

Francis Peter O'Connell, supervisory marine surveyor, U.S. Maritime Administration, an agency of the U.S. Department of Transportation (DOT), Beaumont, TX, was sentenced to 1 year of proba-

tion, ordered to pay a \$2,500 fine and to pay a \$25 special assessment fee. O'Connell previously pled guilty to one count of receiving unauthorized compensation as a Government employee. An investigation determined that O'Connell received compensation from BGI Enterprise, Inc. (BGI), a Government contractor, for services provided by O'Connell. O'Connell assisted BGI in preparing a bid package to be submitted to the U.S. Coast Guard for a contract to remove sunken barges along the Intracoastal Waterway in Texas. In addition, O'Connell failed to disclose this compensation on an annual financial disclosure form that is signed by Government employees and mandated by Federal law. The investigation was part of a 4-year undercover investigation into the maritime industry that identified widespread corruption in the repair and maintenance of Government ships in the DoD Military Sealift Command fleet and the DOT Maritime Administration. The Houston RA conducted the investigation with the FBI, the NCIS and the DOT.



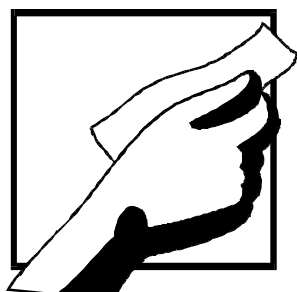
### **Kickbacks**

Mark Puchta, former produce buyer for PFD Supply, Granite City, IL, was sentenced to 36 months supervised probation, fined \$4,025, and ordered to pay \$4,025 in restitution to PFD Supply and a \$100 special assessment. Puchta used the U.S. mail to defraud PFD Supply. An investigation disclosed that from January 1995 to February 1998, Puchta accepted commercial bribes or kickbacks to purchase produce, on behalf of PFD Supply, at prices higher than market prices. The Central FO conducted the investigation with the FBI, the U.S. Postal Inspection Service, and the USDA.

### **Health Care Fraud**

Samiha Mitwally, president of Medi-Peth Medical Laboratory (Medi-Peth), Lake Hopatcong, NJ, was sentenced to 15 months in prison, with 3 years supervised release, and ordered to pay restitution of \$61,704 and a \$2,400 special assessment. Additionally, Medi-Peth was ordered dissolved and will immediately cease to do business. Mitwally previously entered a guilty plea, both for herself and her company, to all charges of a 24-count indictment charging Mitwally and Medi-Peth with various fraudulent activities on their Government contracts. An investigation determined that Mitwally devised a scheme, starting in 1997, where Medi-

Peth would receive purchase order contracts from various DoD medical centers and hospitals. She would then impersonate a DoD contracting officer to telephonically order the goods directly from a legitimate medical supply vendor, normally the manufacturer. The vendor, believing it had been awarded a Government contract, would supply the items directly to the DoD, but payment would go to Mitwally. Mitwally also falsified a shipping invoice to make it appear that she had paid for the shipping costs on a Government contract, when her vendor had paid for them. After some of the defrauded vendors attempted to recover money from Medi-Peth, Mitwally took steps to protect assets held in her name by assuming the alias of Mrs. Elaine Adams. Under this alias, she filed petitions for bankruptcy for Medi-Peth with the U.S. Bankruptcy Court, Newark, NJ in 1998 and 1999. Mitwally pled guilty to bankruptcy fraud in connection with these two petitions. The New Jersey RA conducted the investigation with the USACIDC, the FBI, the VA and the Agency for International Development.



### **False Claims**

Calvin D. Treacle, a former Federal Government employee for the AWG, WHS, at the Pentagon, was sentenced to 3 years of supervised probation, to include 6 months of home detention with electronic monitoring, to pay restitution of \$19,668.37 and a \$100 special assessment fee. Treacle previously pled guilty to submitting false claims to the U.S. Government. Treacle formerly worked as a supply technician for the AWG. He participated in a scheme to enter false overtime hours into the AWG computerized timekeeping system and receive monies to which he was not entitled. Treacle received \$19,668 in fraudulent funds. The Mid-Atlantic FO conducted the investigation with the Defense Protective Service.

### **TRICARE Fraud**

The following were sentenced for conspiring to defraud the DoD TRICARE Management Activity and the Medicare health care programs by making kickback payments to physicians for patient referrals: Community Clinical Laboratory, Inc., Clearwater, FL, James McKeown, Sr., its president, and Vincent Gepp, its general manager. Community Clinical Laboratory, Inc., was sentenced to pay a \$2,400 special assessment fee. McKeown was sentenced to 48 months probation, ordered to pay \$1,253 in restitution and

a \$100 special assessment fee. Gepp was sentenced to 36 months probation, ordered to pay \$145,170 in restitution and a \$100 special assessment fee. The investigation has resulted in the indictment of 15 doctors. To date, nine doctors have been convicted relative to this kickback scheme. The Tampa Bay POD conducted the investigation with the FBI, the IRS, the HHS and the U.S. Postal Inspection Service.

### **Health Care Fraud**

Samir Najjar, M.D., a practicing physician, Jacksonville, FL, was sentenced to serve 36 months in confinement, 36 months of supervised release, to pay \$5 million in restitution, and a \$50 special assessment fee. Najjar previously pled guilty to presenting false claims to the U.S. Government. The sentencing is the result of a 5-year, multi-agency Federal task force investigation focusing on health care fraud in northeast Florida. The investigation disclosed that Najjar had written and submitted fraudulent patient progress notes to the DoD TRICARE program in connection with a Government audit of filed insurance claims. Najjar created fraudulent patient progress notes that contained misleading and expanded representations about patient treatments and diagnoses. The notes were an attempt to substantiate claims and mislead Government auditors. The



Jacksonville POD conducted the investigation with the FBI, the HHS, the NCIS, the TRICARE Office of Program Integrity and with audit assistance from the DCAA.

### **Health Care Fraud**

Central Florida Collision Centers, Inc. (CFCC), Orlando, FL, and Roy A. Johnson, its president, were sentenced as follows: Johnson - 24 months probation, 100 hours of community service, a \$100 special assessment fee and to pay restitution of \$7,000 to the National Aeronautics and Space Administration (NASA); CFCC - to pay a \$400 special assessment fee. CFCC and Johnson previously pled guilty to one-count informations charging each with violating the Anti-Kickback Act. CFCC and Johnson paid kickbacks to Martin Francis, a consultant, and Michael McCusker, a procurement manager for Lockheed Martin Services Division (LMS), Cape Canaveral, FL, a Government contractor. In return, CFCC and Johnson were awarded purchase orders by LMS. The Orlando RA conducted the investigation with the FBI, the NASA and the AFOSI.



### **Theft**

Larry R. Jackson, Jr., was sentenced in U.S. District Court, St. Louis, MO, to 4 months incarceration, a \$25 special assessment fee, and ordered to pay restitution of \$912.12 to the National Imagery and Mapping Agency. Jackson previously pled guilty to theft of Government property. On October 31, 2000, Jackson entered vacant buildings owned and operated by the National Imagery and Mapping Agency, located at 8900 South Broadway, St. Louis, MO, and stole copper pipe and plumbing from one of the vacant buildings. The Central FO conducted the investigation.

### **Income Tax Fraud**

Michael J. Popina, president, Mid-Atlantic Coatings, Incorporated (MACI), Chesapeake, VA, was sentenced to 16 months confinement, 36 months supervised probation, a \$45,000 fine, restitution of \$59,588, and a \$100 special assessment. Popina previously entered a guilty plea to a single count of evasion of income tax for calendar year 1996. The MACI is a sandblasting and painting company that does subcontract work on Navy and other maritime vessels. During 1996, Popina falsely charged a number of personal expenditures to MACI and did not report them on his U.S. Individual Income Tax Return. These personal expenditures consisted of a pool, custom

stone work, a powerboat, yard maintenance and other items. In addition, Popina created fictitious vendor invoices to support some of the expenditures that were written off on the business and provided the invoices to certified public accountants that prepared his tax return. Popina underreported his taxable income for calendar year 1996 by \$119,928. The loss to the DoD is unknown. The Norfolk RA conducted the investigation with the IRS and with audit assistance from the DCAA.

### **Health Care Fraud**

Dr. Bipin Patel, New Port Richey, FL, was sentenced to 24 months probation, to pay restitution of \$17,000, a \$2,000 fine and a \$100 special assessment fee. Patel previously pled guilty to conspiring to defraud the DoD TRICARE and Medicare health care programs by taking kickback payments from Community Clinical Laboratories, Inc., Clearwater, FL, in return for patient referrals. Community Clinical Laboratories, Inc., a blood laboratory, and its president, vice president and general manager previously pled guilty to paying kickbacks to doctors. The Tampa Bay POD conducted the investigation with the FBI, the IRS, the HHS and the U. S. Postal Inspection Service.



*To report suspected criminal activity involving the Department of Defense please contact the nearest Defense Criminal Investigative Service office.*

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